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PANAMANIAN SITUATION REPORT FOR THE PRESIDENT OF THE UNITED STATES

Background

The Panamanian flag issue received public attention on a significant scale for the first time late in 1959. On November 3, 4, and 28, 1959, there was rioting in the Canal Zone, involving American residents of the Zone and Panamanians who entered the Zone to place the flag of Panama there. As a result, in November 1959 the Department of State issued a statement confirming a US treaty interpretation that Panama retains 'titular sovereignty' of the Zone. Subsequently, in a press conference, President Eisenhower announced that he saw no objection to the display of some evidence of Panama's 'titular sovereignty' in the Zone.

In September 1960, President Eisenhower directed that the Panamanian flag be displayed in the Canal Zone in Shaler Triangle. At the direction of the President, the Secretary of the Army ordered the Governor of the Canal Zone to erect the necessary facilities and display the Panamanian flag. The Panamanian flag was displayed at the Shaler Triangle on November 31, 1960.

The problem of erecting the Panamanian flag was complicated by a resolution of the House of Representatives (overwhelmingly passed in the early months of 1960) against flying the Panamanian flag in the Zone. In addition, Congress enacted a rider on the 1960 Appropriation Act containing appropriations for the Canal Zone, which had the effect of denying the use of funds for the purpose of erecting a flag pole displaying the Panamanian flag in the Canal Zone. To avoid the effect of this rider, the President, in November 1960, directed the Bureau of the Budget to require the Secretary of State to provide the necessary funds from sources appropriated for his use in emergency foreign policy situations.

As a result of continuing Panamanian desire for further evidences of 'titular sovereignty' over the Canal, Presidents Kennedy and Chiari agreed in June 1962 that 'their representatives will arrange for the flying of Panamanian flags in an appropriate way in the Canal Zone.' The joint communique also provided for the appointment of

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representatives of both Presidents to discuss outstanding problems between the two countries. These representatives agreed in January 1963 that "the flag of the Republic of Panama will be flown together with the flag of the United States of America on land in the Canal Zone where the flag of the United States of America is flown by civilian authorities. Private organizations and persons in the Zone are free to display flags at will over their places of residence or business. Other aspects of the flag question will be discussed later."

On 26 October 1962, Gerald Doyle, a US employee in the Canal Zone, brought an action to enjoin Governor Fleming from displaying the Panamanian flag in the Canal Zone. On July 8, 1963, the US District Court in the Canal Zone decided that the Governor had acted in a lawful manner and denied the injunction.

In October 1962 dual flag poles, flying the Panamanian and American flags, were erected at the Thatcher Ferry Bridge of the Americas. In January 1963, shortly after the joint communique of the US-Panamanian Commission was issued, the flags of both countries were displayed at the Administration Buildings at Balboa and Cristobal.

When the plaintiff Doyle decided not to appeal the decision, Canal Zone authorities proceeded cautiously to erect dual flag poles at selected locations in the Zone. In October, November, and December of 1963, Panamanian and US flags were displayed at 7 more locations.

Because of the large number of US flags in the Zone, it was considered impractical and unnecessarily exacerbating to Americans in the Zone to erect dual poles wherever the US flag had been flown by civilian authorities. Instead it was decided to reduce the number of locations at which US flags were flown and hence reduce the number of locations at which US and Panamanian flags would be flown.

On December 30, 1963, the Canal Zone government announced the final 6 locations selected for erection of dual flag poles, to implement the agreement expressed by the US-Panamanian Commission. At the present time, both flags are being flown at all of the locations mentioned above, except the 6 mentioned in the December 30 press release.

Originally, it was thought that the flags of both countries would be flown in front of the schools in the Canal Zone. However, in consultation with the US civic councils at Cristobal (Atlantic side) and Balboa (Pacific side) and after consideration within the Canal Zone Government, the Governor decided to take no action which would result in displaying Panamanian flags in front of any high schools, including those at Cristobal and Balboa. Most members of the councils stated that they preferred to have no flag displayed outside these schools, if display of the flag would require display of the Panamanian flag. The US Governor acceded to the request of these citizens, and he ordered that instead, the American flag be flown within every classroom at the American schools and that, in addition, a large American flag be displayed inside all schools where there were appropriate places for it.

On Tuesday, January 7, 1963, US students raised a US flag in front of Balboa high school. School officials removed this flag within an hour. When the students responded by raising a second flag in its place, the Governor ordered that there be no interference with the students raising the flag, pending a resolution of the issue. On Wednesday, and Thursday, at Cristobal high school, and at least two elementary schools, as well as at Balboa high school, the students raised and lowered US flags.

On Wednesday, January 8, 1963, the Canal Zone Government, in response to a request from the civic council at Balboa, issued a statement (a) reminding the residents of the Zone that the US had an international commitment requiring the display of both US and Panamanian flags in the Zone, (b) that Americans in the Zone have a particular responsibility toward preserving amicable relations with the Republic of Panama, and (c) that the cooperation of all US citizens is required to meet this responsibility. The Governor stated that he would look to the civic council for advice. On Wednesday evening, a representative of the Governor asked the Balboa civic council to amend its position and to recommend the flying of both flags before the school. However, the civic council at Balboa asked that only the US flag fly at US schools and the US District Court until "the matter can be resolved by Joint Congressional Action."

On Thursday, January 9, the Governor taped a television speech, which was broadcast at 6:00 p. m. that evening explaining the flag

controversy to the Canal Zone residents, requesting their cooperation and urging that they fulfill their responsibility in meeting the solemn commitment of the US.

The events of Thursday afternoon and evening are described below by Colonel David Parker, Acting Governor of the Canal Zone:

At about 1630 hours, about 200 Panamanian high school students from the Instituto Nacional marched in the Canal Zone on Gorgas Road, carrying Panamanian flags. They proceeded in a peaceful manner with the obvious destination of Balboa High School. It was understood that it was their intention to fly the Panamanian flag on the flag pole at Balboa High School.

Pursuant to my instructions, Canal Zone police were called in to stop the students one block short of the high school, at the base of the administration building. They were instructed to use no violence and to halt the students at that point and attempt to convince them to return to Panama. After some agitation by the students, the police permitted them, with my approval, to have five of their members proceed to the high school to display the Panamanian flag in front of the flag pole which was surrounded by about 500 US citizens. They were escorted by our police back to the rest of their student body, and at approximately 1810 the police were instructed by me to advise the students to return to Panama. The students complied with this request after about 5 minutes, and left the Balboa High School area in a fairly orderly manner, but about half-way out of the Canal Zone, opposite Gorgas Hospital, started damaging property by throwing rocks at windows, cars and lamps. The police refrained from arresting any of the students, but continued to push them on out down Gorgas Road, out of the Canal Zone. At about 1850 hours, a number of the students were still in the vicinity of the treasury office of the Panama Canal Company and continued to destroy property.

At 1930 hours, when it appeared that we were having some difficulty in clearing these students from the Canal Zone; I called the staff duty officer at Quarry Heights to suggest that troops be ordered to alert positions in view of the situation, and that it might be necessary for me to ask later that the border be sealed off. From that time on the situation deteriorated. Although most of the students left the zone,

Large crowds started gathering on 4th of July Avenue. Practically all of our available police force, about 60, were deployed along the Canal Zone border at this time, and by 1930 hours it was apparent that we would have trouble holding the crowds out of the Canal Zone. The police were authorized by me to use tear gas and firearms if necessary to protect life. About this time, numerous reports were received concerning throwing of Molotov cocktails against Judge Crowe's house, setting automobiles on fire near the Ancon Laundry, and on 4th of July Avenue, and of attempts to penetrate the Zone by Panamanians. I made a personal reconnaissance of the border in the vicinity of the Tivoli Guest House at 1945 hours. My car was stoned twice in the vicinity of the Tivoli Guest House, and by that time a crowd estimated between 3 and 4 thousand was gathering along 4th of July Avenue. Our police were having difficulty holding the crowds back, and it was apparent that life and property were in serious jeopardy in the Canal Zone. I expected the crowds to be at the Tivoli Guest House within a matter of minutes.

Accordingly, at 1959 hours I reported in person to General O'Meara that as Acting Governor I was unable to maintain law and order in the Canal Zone with the police and other civilian authorities. I therefore requested General O'Meara to assume command of the Canal Zone.

General O'Meara, Commander of the Southern Command, describes events subsequent to his assumption of command in the Canal Zone:

At this time there were between 2500-3000 rioters in the area of Ancon Ave and Fourth of July Ave. (between the Canal Zone and Panama City). Some of them entered the Zone, setting a railway car on fire. Several automobiles were observed turned over and burning along Fourth of July Avenue between Ancon Ave and Frangipani Ave. Attempts were made at several points along the boundary to tear down the Canal Zone fence.

USCINCSO (Gen. O'Meara) issued the following proclamation over local military radio and TV and via military

aircraft with loudspeaker. 'Upon request of the Acting Governor of the Canal Zone I have assumed control of the Canal Zone. All persons not living or working or attending school are hereby directed to leave the Canal Zone immediately. All residents of the Canal Zone not engaged in official duties will return to their place of residence and remain there until further orders.'

The Army Commander (COMUSARSO) deployed 2 rifle companies immediately to clear the Canal Zone and seal the borders on the Pacific side. These rifle companies were reinforced by 3 additional rifle companies. Within 30 minutes COMUSARSO was directed to stop C. Z. police from using fire arms and to have troops use lesser force to clear area.

As troops were deployed, the rioters withdrew from the Canal Zone. Sporadic riot action continued along 4th of July Ave. This consisted of sniper fire and the Molotov cocktails which set minor fires within the Zone.

At about 2100 the mob began moving west along 4th of July Ave towards its junction with Balboa Road (the limits). Enroute they started a minor fire at the house of U. S. District Judge Crowe and tore down sections of fence on the Canal Zone border. By 2120 a large mob entered the zone at the limits and penetrated the Canal Zone about 150 meters up Balboa Ave throwing rocks and fire bombs against Canal Zone police and some small arms fire was reported. The police used tear gas in an attempt to break up the mob and called for assistance from Army troops. The mob apparently broke and set fire to a natural gas main immediately north of the limit. Troops were immediately employed upon arrival and cleared rioters of Canal Zone area. In the process two soldiers were struck in the face by rocks. Troops employed tear gas but did not open fire. A barrier was employed and order restored.

At approximately 2300, all entries into the Canal Zone on the Pacific side had been secured and patrols were screening the Canal Zone area in the vicinity of Balboa for stragglers.

As of 2400, two airborne companies and one mechanized battalion were deployed in positions along the 4th of July Avenue. Two additional rifle companies were occupying reserve positions.

On the Atlantic side of the Zone, the American Consul's car was burned, the YMCA in Cristobal was looted. The Canal Zone borders were secured in Cristobal at 100400Z.

Six U. S. soldiers near Tivoli Guest House were wounded by a sniper firing from Panama City. Tear gas and selective aimed fire were used to suppress this and the Guardia Nacional requested to assist.

Canal Zone police after withdrawal from action reported firing approximately 3700 rounds of 35 caliber ball ammunition, 600 rounds of 12 gauge 7 1/2 shot, and 100 rounds of 12 gauge 00 buckshot. All rounds were reported to have been fired at ground or over heads of rioters. 100 baseball tear gas grenades were used by police.

Preliminary report on casualties:

Bishop McGroth, Catholic Bishop in Panama City reported to General O'Meara that he observed 1 dead, 1 dying, and 30 wounded at Santa Tomas Hospital, Panama City. He said he has been informed that 4 others had died after his departure, Capt. Boyd, Guardia Nacional, stated that the wounds appeared to be from shotguns.

U. S. citizens treated at Gorgas Hospital Pacific side:

3 soldiers, gun shot wounds, not serious.

1 soldier, gun shot wound, serious.

1 civilian, gun shot wound, not serious.

2 civilian injuries, serious.

11 released after treatment for cuts and bruises.

Panamanian citizens treated at Gorgas Hospital.

Dead on arrival, automobile hit and run.